



**Area:** 447,400 sq km  
**Capital:** Tashkent  
**Population:** 25,155,064  
**Population Growth Rate:** 1.6% (2001 est)  
**Ethnic groups:** Uzbek 80%, Russian 5.5%, Tajik 5%, Kazakh 3%, Karakalpak 2.5%, Tatar 1.5%, other 2.5% (1996 est.)  
**Life Expectancy:** male 60.24 yrs; female 67.56 yrs  
**Birth Rate:** 26.1 births/1,000 population  
**Infant Mortality:** 71.92 deaths/1,000 live births  
**Per Capita Income:** \$488 (IMF World Economic Outlook; 2002 estimate)  
**Religion:** Muslim 88% (mostly Sunnis), Eastern Orthodox 9%, other 3%  
**Language:** Uzbek 74.3%, Russian 14.2%, Tajik 4.4%, other 7.1%  
**Literacy:** total 99%; male 99%; female 99%



**President:** Islam Karimov  
**Prime Minister:** Otkir Sultonov  
**Ambassador to the US:** Shavkat Hamrakulov

### Development Challenge

Uzbekistan, the most populous of the Central Asian republics, is situated in the geographic heart of the region, bordered by the four other Central Asian countries, as well as Afghanistan. Uzbekistan suddenly found itself on the frontline of the war against terror and increased strategic importance to the stability of Central Asia. With its central location, fast growing population, a variety of natural resources, and a potential for a diversified economy, an open, prosperous Uzbekistan is central to economic growth in the region. Uzbekistan aspires to regional leadership and continues to be key in maintaining security in Central Asia. However, its leadership remains entrenched in a closed and stagnant political and economic system. The overall development challenge in Uzbekistan, thus, is to help build constituencies for political, economic and social change.

The unwillingness of the Government of Uzbekistan to introduce market-oriented reforms in the financial sector constrains economic development. In 2000, GDP grew by a mere 1.5%. The GDP per capita income is \$488. Ten percent of the population is estimated to be unemployed, with another 20% underemployed. Inflation rose from 25% in 2000 to 35.5% in 2001. According to World Bank estimates, one-third of annual profits from small private enterprises is channeled as protection and bribes. Each year since independence the economy and infrastructure has declined and will continue to do so without economic reform and new investment. As 2001 ended with the signing of a Staff Monitoring Agreement with the IMF, there is guarded hope that the GOU may take steps toward market liberalization. Its authoritarian politics and state-controlled economy stymie meaningful transition, contribute to human rights violations and limit foreign investment. Newly appreciative of the vital role of small enterprises, the leadership is calling for greater growth of this sector.

Citizens remain poorly informed and their participation in economic and political life is restricted, particularly at the national level. Political opposition is not tolerated and interference with the independent media persists. Despite public statements from the highest level of the GOU promising legal and judicial reform and protection of the independent media, there is little tangible achievement. Freedom House has consistently ranked Uzbekistan as "not free", with the lowest degree of political freedom possible on the Freedom House scale. Nevertheless, progress does continue in building a vocal and effective NGO community, particularly at local levels.

Uzbekistan inherited Soviet-style water management systems, for which it has neither the financial resources nor management experience to adequately maintain or replace. Two successive years of drought have worsened the plight of those living in the downstream regions of Karakalpakstan who are already suffering from poor quality water resulting from the Aral Sea disaster. It has focused the need for improved water management in the upstream areas, as well as the need for new investments in providing potable water in order to positively impact health and social conditions. The GOU shows considerable eagerness to cooperate with USAID and others to modernize this system as a first and essential step toward also modernizing its state-controlled agricultural sector.

Uzbekistan's population is growing at 1.6%, and the infant mortality rate is 71.92 deaths per 1,000 live births. In Ferghana oblast, according to a recent survey, 78% of women and children suffer from anemia. The GOU is committed to providing quality health services and is working with USAID and other donors to gradually shift the focus of the health care system from curative to preventive. Investment in education appears skewed to universities and technical schools, while primary education is impoverished.

### Contact Information

USAID/Central Asia Region (CAR)  
 Mission Director George Deikun  
 Park Palace Building  
 41 Kazibek Bi Street  
 Almaty, Kazakhstan 480100  
 Tel: 011-7-3272-50-76-12/17  
 Fax: 011-7-3272-50-76-35/36

Uzbekistan Country Representative  
 James Goggin  
 41 Buyuk Turon Street  
 Tashkent, Uzbekistan 700000  
 Tel: 011-998-71-120-6309  
 Fax: 011-998-71-133-7656

USAID/Washington  
 Central Asia Desk Officer Tim Alexander  
 Tel: 202-712-1669

## Overview of USAID's Focus in Uzbekistan

**Economic Reform and Private Sector Development** Restrictive economic policies and the government's unwillingness to implement macroeconomic reform have severely limited USAID's ability to undertake meaningful reform. Despite the obstacles, USAID continues to increase access to modern business information and skills. Training to entrepreneurs and prospective accountants increased, and EdNet network membership grew to 34 universities in less than a year. Two Visiting International Professors (VIPs) delivered a host of modern business and economics courses to university students, helped develop the university departments of modern business principles and market economics, and trained 22 other professors (48% women) in the EdNet business and economics summer program. Continued participation by these universities in the network will result in marked improvements in the economics and business curricula. Students' continued exposure to healthy market and business systems will eventually bring change to Uzbekistan's way of doing business. USAID's newly implemented business advisory services also provided comprehensive assessments of 69 SMEs, offering them modern business advice and input for business strategies.

**Water and Energy Management** Uzbekistan consumes up to 65% of all water resources in Central Asia, and the irrigated agricultural sector is by far the largest user within the country. This makes Uzbekistan the key nation in improving water management on all levels, including transboundary water cooperation. The focus of this program is to improve Uzbekistan's management of its water and energy resources. Staff of the Uzbek National Hydromet Service are full participants in the regional snowmelt runoff committee that meets semi-annually to improve water allocations for the Central Asia region. They have begun collecting and processing water data for which USAID provided equipment and training. Water managers in the Paktaabad irrigation district are using the software, communications network, and training that USAID provided to allocate water within their irrigation district. The Government of Uzbekistan has taken notice of the program, and indicates willingness to reform water management policies so that local water user groups take a more active role in water management and operation and maintenance. There is now an active water reform dialogue underway between the US Ambassador and Uzbek high level officials. A USAID-funded Internet Center at Uzbekistan's main university for hydrologists and irrigation engineers is in use. Through it, water managers and educators have access to the latest water information from around the world. The Tashkent Water Training Center has hosted several joint USAID/Canadian Agency for International Development training courses for water managers in international water law, transboundary water management, and integrated water practices to improve irrigation efficiency.

**Strengthening Democratic Culture and Institutions** Four new civil society support centers (CSSCs) were established this year for a total of seven throughout Uzbekistan. Support to Uzbek NGOs through this network and the opportunities that it offers has shown a marked improvement in the legal environment in which NGOs work, as well as a rise in NGO advocacy and development. ARMON Women's Center for Environmental Law, with USAID assistance, established an Environmental Public Advocacy Center (EPAC) in Uzbekistan this year. Since EPAC started offering free legal consultations on environmental rights, more than 100 citizens have sought assistance (over a three-month period). EPAC has assisted a group of citizens from Brichmulla, (the site of several IMU incursions), with a project to plant safflower seeds along the Chervok Water Reserve. After obtaining approval from the local government, the citizen group purchased and planted the seeds, which will prevent further erosion from dust storms that currently plague the area. EPAC's efforts demonstrate the success of environmental advocacy as a tool to promote public participation and democratic practices. The adoption of a new law on the Procuracy and the issuance of a decree by the Cabinet of Ministers removed two of Uzbekistan's largest obstacles to judicial independence, namely, the prosecutorial right to suspend judicial judgments, and the authority of the Ministry of Justice to appoint and remove judges. Through USAID's media program, the first seminar for radio station directors in Uzbekistan was held, and five new independent stations opened this year. A weekly news exchange program called "ZAMON" produced by local stations and compiled by Internews now reaches 15 million potential viewers or 63% of the Uzbekistan population. USAID's efforts in democracy and media also serve crosscutting mission initiatives most apparent in gender where both the American Bar Association's gender liaison and the Women's Integrated Legal Literacy program address women's legal rights. Alumni of the legal literacy program's domestic violence training now serve in local governments. Through the Mahalla Initiative, the Uzbek NGO Orzu received support to repair and furnish three rooms of a local library where activities for disabled children are conducted. A club for parents of disabled children conducted lessons on the rights of the disabled for local school children, resulting in 15 students volunteering to work with the club's disabled children.

**Quality Primary Health Care** USAID has become a leading force in health care reform and delivery in Uzbekistan, gaining the confidence and appreciation of key health officials and a wide range of partners in NGO and community organizations. Community based organizations in the Ferghana Valley have attracted standing room only crowds to theater events reaching the entire family on topics like family planning, HIV/AIDS and sexually transmitted infections. USAID-supported community groups have also implemented clean water projects that reach almost 25,000 people. People now have access to primary health care clinics that have better resources to deliver care, as the funding for primary health care has nearly doubled in pilot sites through introduction of cost-effective, transparent payment systems. The World Health Organization (WHO)-recommended DOTS strategy for tuberculosis control is underway in five initial pilot sites. At the request of the Government of Uzbekistan, USAID agreed to support DOTS implementation throughout the Ferghana Valley, reaching another 6.6 million people. The government purchased \$1 million worth of anti-TB drugs to support this expansion. USAID helped the government apply for funding from the Global Alliance Vaccines Initiative that will extend universal Hepatitis B immunization at birth over the next five years. USAID supported a study tour of government officials to a model Harm Reduction site in Lithuania; a Central Asian Condom Social Marketing Assessment and Workshop were conducted; and the Central Asian Initiative Conference on the Prevention of HIV/AIDS/STIs was held jointly with UNICEF and UNAIDS. The USAID-funded health partnership between Grady Health System and the Republican Center for Emergency Medicine in Tashkent and in Ferghana continued to focus on developing an efficient emergency care system. Under this partnership, these emergency care centers train mid-level health care and primary health care personnel. A separate partnership in nursing education was initiated this year with MASHAV (The Israeli Center for International Cooperation), through which two groups of nurses from Ferghana were trained in Israel, and nursing trainers worked in Ferghana.